

## Message Text

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ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 CIAE-00 COME-00 EB-08 INR-07  
LAB-04 NSAE-00 SIL-01 IGA-02 /038 W  
-----231706 012838 /44

R 231435Z FEB 77  
FM AMEMBASSY SAN SALVADOR  
TO SECSTATE WASHDC 3441  
INFO AMEMBASSY GUATEMALA  
AMEMBASSY MANAGUA  
AMEMBASSY SAN JOSE  
AMEMBASSY TEGUCIGALPA

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E.O. 11652: N/A  
TAGS: ELAB, ES  
SUBJECT: USG LABOR PROGRAMS IN LATIN AMERICA

REF: (A) 76 AIDTO CIRCULAR A583, (B) 77 STATE 1581

1. EMBASSY/USAID COMMENTS ON THE ALEXANDER/HAMMOND STUDY FOLLOW:  
THE EMBASSY AND USAID AGREE WITH AA/LA RECOMMENDATIONS NOT MENTION-  
ED HEREIN, AND EXCEPT FOR ITEM 13 HAS NO OBJECTION TO THE RECOM-  
MENDATIONS CONTAINED UNDER "NON-ISSUES" OR "ISSUES FOR DECISION  
BY OTHER ORGANIZATIONS".

4A. THE EMBASSY AND USAID FAVOR A MIXED PROGRAM IN ACCORDANCE  
WITH LOCAL CIRCUMSTANCES: I.E. ITS, UNION-TO-UNION, AIFLD,  
AUDS, CELCA REGIONAL STUDIES, CTCA, AND LABOR ATTACHE. IT IS  
TRUE AT TIMES THAT CLOSE IDENTIFICATION OF AIFLD WITH THE US  
GOVERNMENT MAY APPEAR TO HANDICAP AIFLD PROGRAMS AND EXPOSE THE  
EMBASSY TO CRITICISM WHEN POLITICAL PROBLEMS ARISE. BUT SO LONG  
AS THERE IS AN INPUT OF US GOVERNMENT MONEY, NO DEGREE OF CAREFUL  
AVOIDANCE OF CONTACT IN THE FIELD CAN COVER THE FACT OF USG INVOLVE-  
MENT. THEREFORE IT IS PREFERABLE THAT THE AMBASSADOR HAVE  
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AND ACCEPT THE RESPONSIBILITY FOR CLOSE POLICY SUPERVISION IN  
ORDER TO HELP PREVENT POLITICAL PROBLEMS AND TO INSURE PROGRAMS  
WHICH CONTRIBUTE TO THE MAXIMUM DEGREE TO ECONOMIC AND POLITICAL  
DEVELOPMENT. OTHERWISE, ONLY REASONABLE COURSE OF ACTION WOULD  
BE WITHDRAWAL USG FUNDS SO THAT AFL-CIO, LIKE RELIGIOUS  
MISSIONARIES, WOULD TRULY BE ON ITS OWN IN ITS INTERNATIONAL  
ACTIVITIES. IN ANY EVENT, USG CANNOT AND SHOULD NOT GO BACK

TO DAYS OF COVERT SUPPORT TO LABOR MOVEMENTS. MOREOVER, AS LONG AS AIFLD IS FUNDED BY AID AND AID "...IS THE LOGICAL AGENCY TO ADMINISTER THESE FUNDS", AID MISSION DIRECTOR, IN THE FIELD, MUST HAVE THE RESPONSIBILITY TO MONITOR THE PROJECT. THUS THE USAID WOULD ESTABLISH A PROJECT MANAGER FOR THIS PROJECT, AS FOR ANY OTHER AID PROJECT, TO REPORT DIRECTLY TO THE USAID DIRECTOR, AND AIFLD WOULD BE RESPONSIBLE IN THE FIRST INSTANCE TO REPORT TO THE DESIGNATED PROJECT MANAGER. MOREOVER, THE USAID WOULD GO THROUGH ALL REGULAR AID PROCEDURES WITH RESPECT TO THIS PROJECT INCLUDING PROJECT EVALUATION AND AUDIT, AND, OF COURSE, PROVIDE THE AMBASSADOR, ALONG WITH OTHER MEMBERS (E.G. LABOR ATTACHE) OF HIS STAFF, WITH POLICY GUIDANCE ON AIFLD PROGRAMS.

6. THE EMBASSY/USAID AGREE THAT AID FUNDS CANNOT BE AUTHORIZED TO SUPPORT "US LABOR EMBASSIES", BUT THAT LABOR ATTACHES AND OTHER OFFICERS IN EMBASSIES PERFORM SUCH FUNCTIONS WHEN AIFLD "BROADER PROGRAMS" ARE PHASED OUT; AND THAT THEY ADVISE ON SUCH FUNCTIONS, ESPECIALLY SELECTION OF LEADER AND OTHER GRANTEEES, EVEN WHEN THERE IS AN AIFLD PROGRAM IN COUNTRY.

7A. THE AIFLD PLAN FOR ITS OPERATIONS IN COUNTRY SHOULD BE PREPARED WITH CPD PARTICIPATION AND REVIEWED AT THE MISSION LEVEL. THE PROJECT MANAGER SHOULD HAVE THE SAME RESPONSIBILITIES FOR THIS PROJECT AS FOR ANY OTHER AND THE PBAR SYSTEM SHOULD BE APPLICABLE. IN ANY EVENT IT SHOULD NOT GO INTO EFFECT UNTIL AMBASSADOR APPROVES.

7B. WE DO NOT BELIEVE THAT AIFLD PROJECT SHOULD BE TREATED LIMITED OFFICIAL USE

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OUTSIDE THE AID SYSTEM. IF FUNDS COME FROM AID, THE MISSION DIRECTOR IS RESPONSIBLE UNDER THE AMBASSADOR FOR THIS PROJECT AS FOR OTHER AID PROJECTS, AND CLOSE SUPERVISION IS ESSENTIAL. WE ASSUME AN ANNUAL AID EVALUATION OF THE PROJECT WILL BE REQUIRED AS FOR ANY OTHER PROJECT.

7E. EMBASSY/USAID DISAGREE WITH ALEXANDER/ALAMMOND RECOMMENDATION THAT THE FORMAL ASSOCIATION OF CPD AND EMBASSY SHOULD BE ENDED. SUCH ASSOCIATION IS DESIRABLE TO ENSURE THAT THE AMBASSADOR MAINTAINS CONTROL OF ALL IN-COUNTRY USG PROGRAMS. CERTAINLY, IF THERE WERE NO SUCH ASSOCIATION, AIFLD PERSONNEL WOULD NOT BE ELIGIBLE FOR COMMISSARY, DIPLOMATIC POUCH, OR OTHER EMBASSY SERVICES. IT WOULD NOT RECEIVE OTHER PRIVILEGES SUCH AS FREE ENTRY AND IMMUNITIES, UNLESS SPECIAL AGREEMENT WORKED OUT WITH LOCAL GOVERNMENT.

12. EMPLOYER MEMBERS ON THE AIFLD BOARD SHOULD BE RETAINED. IN FACT, WE WOULD LIKE TO SEE THEIR PARTICIPATION BECOME MORE ACTIVE TO REDUCE CRITICISM OF US INVOLVEMENT IN PROMOTING

LABOR UNIONS TO OPPOSE AND HARASS MANAGEMENT.

13. WE DO NOT FAVOR THE CONCEPT OF REGIONAL LABOR ATTACHES SINCE WE QUESTION THEIR "NOT-ON-THE-SPOT" VALUE, AS WELL AS THE EXTRA ADMINISTRATIVE LAYER.

19 WE AGREE THAT THE INTER-AMERICAN FOUNDATION SHOULD KEEP THE AMBASSADOR BETTER INFORMED ON PROJECTS WHICH IT IS PLANNING. EMBASSIES SHOULD NOT DELAY IAF'S DECISION, HOWEVER, AND SHOULD COMMENT QUICKLY ON PROPOSED PROJECTS.

2. IN CONCLUSION, WE ARE IN ESSENTIAL AGREEMENT WITH THE AID/W RECOMMENDATIONS LISTED IN AIDTO CIRCULAR A-583 BUT WISH TO REITERATE THE EMBASSY/USAID CONVICTION THAT LABOR MOVEMENT PROGRAMS MUST BE OVERT, ADAPTALBE TO LOCAL CONDITIONS, THAT AIFLD BE A "CHOSEN" BUT NOT THE SOLE INSTRUMENT IN THEIR EXECUTION, THAT THE CPD RETAIN FORMAL ASSOCIATION WITH THE AID MISSION AND LIMITED OFFICIAL USE

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THE EMBASSY THROUGH THE PROJECT MANAGER. THE AMBASSADOR'S RESPONSIBILITY FOR ALL IN-COUNTRY USGO-RELATED PROGRAMS MUST REMAIN A FOREMOST CONSIDERATION.

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## Message Attributes

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